

Small and Medium Enterprises (SMEs) Key Challenges and innovative approach for using social media marketing (SMM)

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Abstract

Social Media has revolutionized personal, professional, and commercial cross-communication and interaction, force marketers to revise their policies on product development, pricing, distribution, and branding.

The author explored current practices, the benefits, limitations and the risks involved in social media marketing (SMM) adopted by Small and Medium Enterprises (SMEs).

This paper concentrates on the challenges that organizations (SMEs) face to implement a Social Media Marketing (SMM) strategy and concludes by discussing innovative strategies of social media marketing for SMEs.

Keywords: Social Media marketing strategies (SMMs), Small and Medium Enterprises (SMEs), Risks and limitations.

Introduction

The speed at which social media has taken off has been unprecedented in the history of technological change.

According to Ernst and Young report 90% of Indian companies, spend up to 15% of their annual marketing budget exclusively

on social media. 23% of brands stated their social media budgets were INR1 million (INR10 lakhs) or less.[1]

This massive take-up is having a profound effect on the way in which customers seek information and make purchase decisions. So how can companies take advantage of the opportunities presented by social media to make their mark on this vast audience.

White, 2010 came up with the social media marketing mix relevant in the digital era for Netizen. According to the author social media marketing mix consists of 6 Ps. [2]

- a. **People:** People are the most important element of the customer experience. Experiences are altered to meet the individual needs of the person consuming it.
- b. **Personal:** Interpersonal communication that social media fosters
- c. **Publish:** Value of content marketing

- d. **Promote:** Various social media platform used to get your message to the market.
- e. **Presence:** In social media your message is present 24X7
- f. **Proximity:** Increased value of location-based marketing.

Hollowell, 2015 suggested Six C's of Successful Social Marketing to ensure SMEs get the optimum results from Social Media. [3]

Construct: Your page must be easy to find, impactful, memorable and enabling.

Collection: Contacts: Your page is a community. Use your contacts personal and professional to get started.

Content creation: Speak to and with the community. Invite them and embrace them, appreciate their involvement, prioritize community needs. The needs and desires of the community should power your contents.

Conversation: Focus on social part of conversation.

Collection: Customer: Focus on collecting customers i.e. consumers, subscribers, listeners, readers, buyers.

Conversion: Conversion is the ultimate objective. It means different to different business owners.

Researcher in this paper has used Primary and secondary research to understand how small and Medium Enterprises are integrating Social Media and Marketing activities. Researcher reached out to employee of Marketing department and PR department of 36 Small and Medium Enterprises in Pune city to explore how social media is shaping the activities of marketers. This paper also tells about what are the benefits and the risk SMEs have, when using social media marketing.

At last the author has suggested the strategies which SMEs need to work upon so as to accelerate the social transformation process within their organizations.

Literature Review

Author reviewed number of the existing works with a view to assess the social media and marketing activities done by SMEs.

Paradiso, 2014[4] mentioned business cannot survive without Social media. He stated that social media is powerful platform where a client can socially approves of you and your agency. Social proof is one of those quiet ways that your agency can turn in ROI on it social media marketing very quickly.

Larivie`re et al., 2013[5] Social media can create value fusion, in which value is created for a whole network including both customers and companies.

Lagrosen and Grunden, 2014[6] concluded in their research that social media marketing activities consist of four main categories, they are:

Management: This dimension concerns how the social media marketing activities are organized and managed.

Media: This dimension concerns the choice of social media for the marketing communication.

Content: In this dimension, the substance of the communication of the companies on the social media is contained.

Effects: This dimension regards the effects that the companies see from their social media marketing activities.

Aim and Objectives

The objectives of this study are informed by the gaps found in the literature review:

1. To explore how SMEs use Social Media in their marketing strategy
2. To explore their perception of the benefits of Social Media as a marketing tool.
3. To review limitations and risks involved in social media marketing.
4. To suggest innovative strategies of social media marketing (SMM) by SMEs.

Research Gap: The literature survey done by the researcher indicates that most of the

research done is from customer perspective about their interaction with social media to follow SMEs. Author is found that not much work has done on SMEs perspective.

Research Methodology

Author used quantitative descriptive research methodology to examine various channels of social media to understand SMEs current practices and the benefits offered to the SMEs using a structured questionnaire. Purposive sampling was used to select 36 Small and Medium Enterprises in Pune city. Respondents were the employees from the marketing/PR departments of each company. Secondary research was used to explore the risks, limitations and Innovative strategies for Social Media marketing. Author reviewed Internet articles and online blogs, existing social media marketing literature and industry practices.

Data Analysis

Researcher asked 11 questions to PR/Marketing managers of SMEs through online questionnaire. The responses to each question were collected, were quantified and represented in the form of Charts.

1. Which are the platforms you used for your social media marketing efforts?

Table I

Social Media Platform	% Company
Facebook	89.6%
Twitter	56.3%
YouTube	29.2%
Linked in	29%
Blog	22.3%
Google Plus	2.6%
Pin interest	3%
Foursquare	0.1%

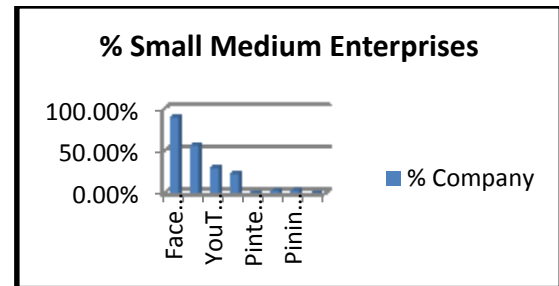


Figure 1.

2. Have you run a campaign using social media as the leading component?

Table II

Yes	87.5%
No	12.5%

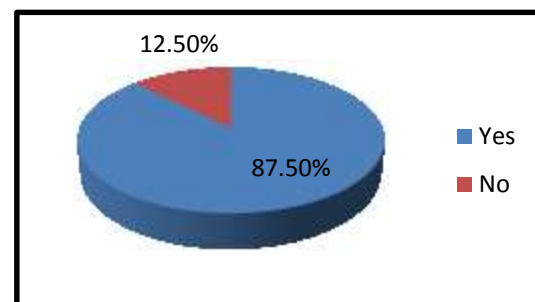


Figure 2.

3. Have you organized any online exclusive deals/promotions for online fans?

Table III

Yes	64.2%
No	14.6%
May be in Future.	20.2%

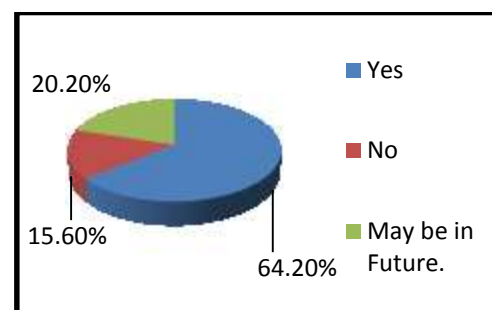


Figure3.

4. What is the percentage of your brand i.e. topics related to your brand posts

vis-à-vis generic updates i.e. unrelated topics?

Table IV

Less than 30%	22.2 %
Around 50%	34%
More than 50%	43.8 %

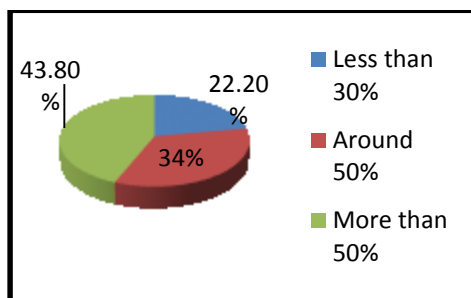


Figure 4.

5. What is the frequency of updates you have on Social Media page?

Table V

2-3 posts a day	8.5%
1 post a day	22%
1 post every 2 days	56.3%
1 post after a week.	13.2%

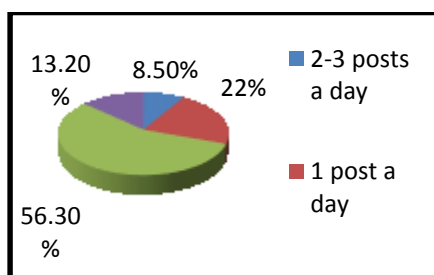


Figure 5.

6. What is your average response time with which you attempt to reply to a fan query on Face book?

Table VI

6-30 mins	5.5%
31-60 mins	29.6%

1-5 hours	39.8%
6-12 hours	12.6%
13-24 hours	12.5%

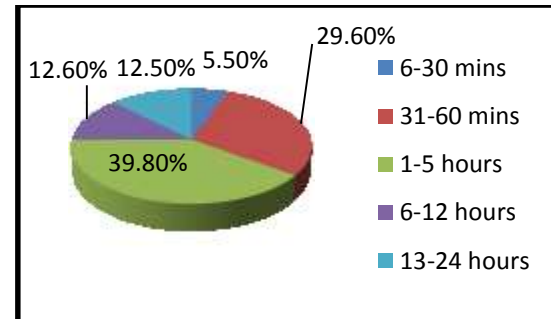


Figure 6.

7. What is the type of contest you have found to be the most successful on your social media platform?

Table VII

Picture contest	45.6%
Quiz	31.4%
Game	7.2%
Video contest	15.8%

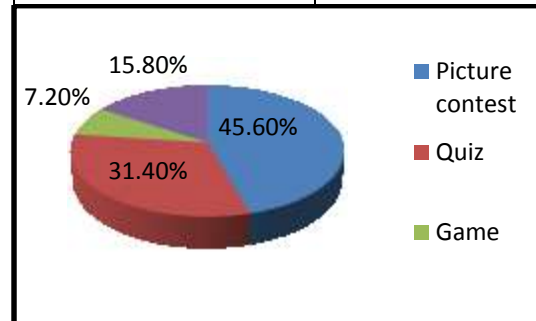


Figure 7.

8. In addition to your Face book, Twitter engagements, do you have the following? Please tick all relevant.

Table VIII

Social Media Strategy	7%
Social media guidelines	11%
Crisis manual	7%

Online monitoring programme	61%
None	19%



Figure 8.

9. What are the benefits of social media?

Table IX

Brand exposure and awareness	79%
Targeted traffic	69.90%
Leads generation	61.2%
Market Insights - Research and competitor monitoring	58%
Customer interaction – Customer service and feedbacks	61%
Cost-effective Marketing Technique	73%
Public Relations &HR	52.5%

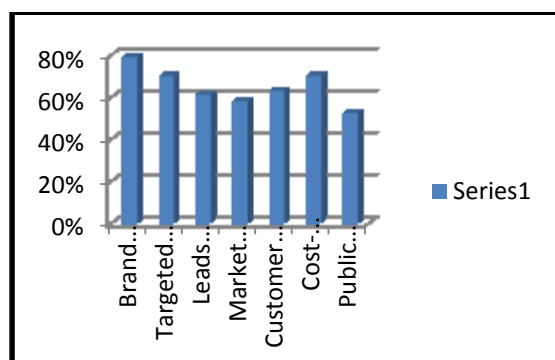


Figure 9.

10. Have you conducted any social media research for your organization? Can

you share what kind of research have you conducted?

Table X

To understand customer behavior	52%
Competitive benchmarking	33%
To get customer feedback	78.8%

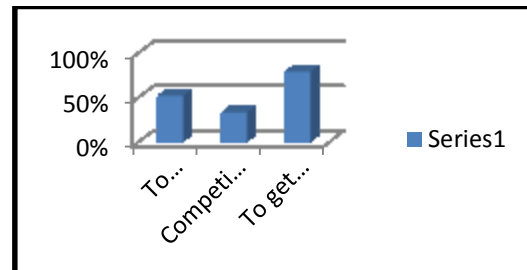


Figure 10.

11. What are major challenges faced by SMEs while using social media for marketing?

Table XI

Successfully measure effectiveness of social media engagements,	58%
Sustaining or increasing engagement rates	72%
Creating contents	64%

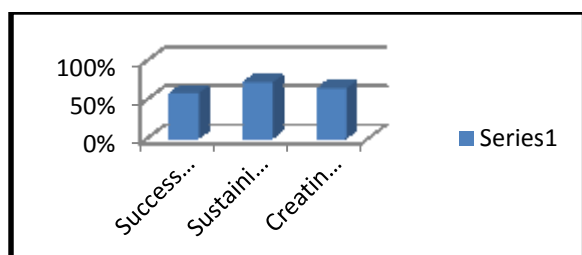


Figure 11.

12. Planning and internal resources

Table XII

Have an internal core team for strategy and implementation of social media initiatives.	7%
Outsource it completely to external partners.	43%

Internal core team is supplemented by social media agencies and consultants.	38%
Marketing, Communications and PR departments handle social media at their organizations.	12%

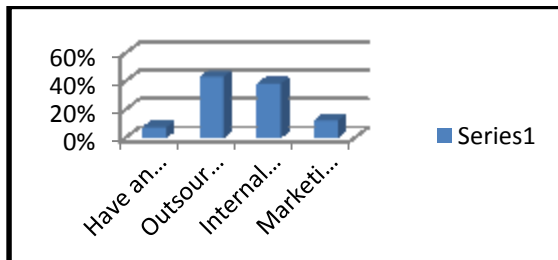


Figure 12.

Risks involved in Social Media Marketing (SMM) for SMEs

Using Secondary research, Author has reviewed risks towards a SME's Social Media usage.[7]

The security risks most likely for a business Social Media account includes:

- Malware that infects the administrator's account. Intrusion may be accomplished by password cracking, phishing, or an insecure Internet connection, and can enable a hacker to take over the administrator's account.
- Malware that infects the advertisements or other links on a social media page.
- Misuse of information in visitors' postings by the business's account administrator or other employees.
- Employee posts that leak confidential business information.
- Social media activity might compromise or leak sensitive company information in following ways:
 - i. The company posts a problem and asks for solutions from the public, with the unintended consequence as trade secrets are indirectly revealed.

- ii. Inadvertently client lists are compiled which are visible to the competitors.
- iii. Competitive strategies are inadvertently disclosed while discussing products, customers, and strategic decisions on various social networking sites.

Findings and Suggestions

1. Facebook is still the dominant platform, followed by Twitter and YouTube. Blogs and LinkedIn (22.3% and 29% of survey respondents, respectively) are new platforms, which were introduced by SMEs to engage with the audience. Google plus, Pin Interest and Foursquare were rarely used.
2. 87.5% SMEs surveyed had campaigned using social media as the main component.
3. 64.2% SMEs had exclusive deal for online customers, 20.2% were planning to have the same in future.
4. 43.8% SMEs posted more than fifty percent content related to their brand, 34% SMEs posted fifty percent brand content and fifty percent unrelated contents on social media. Only 22% SMEs posted thirty percent brand contents and seventy percent generic contents.
5. 78.3% of SMEs surveyed engage on multiple platforms at least once in two days and 8.5% engage twice or more in a day.
6. 69.4% SMEs stated that average response times to fans and followers are 1-5 hrs.
7. For the methods to engage customer online 45.6% SMEs surveyed used Picture contest, 31.4% used Quiz, 7.2% used online games and 15.2% used Video contest.
8. 61% SMEs are having online monitoring tools, 11% have formulated Social Media Guidelines, and 7% have Crisis manual. Just 5% SMEs have

social Media Strategy aligned to their business Strategies. However 19% SMEs did not have any framework/policies for Social media marketing.

9. We surveyed that the top four objectives to be present on social media for the SMEs. They are Brand exposure and awareness, Cost-effective Marketing Technique, Targeted traffic and Leads generation. Market Insights - Research and competitor monitoring and Public Relations and Human Resources are also the two major objectives for the use of Social Media.
10. 78.8% SMEs used Social media research to get customer feedback, 52% used to understand customer behavior, 33% used for Competitive benchmarking.
11. Among the major challenges 72% SMEs faced sustaining, increasing Engagement rates.
12. As per resource planning for social media marketing, 43% SMEs outsourced it completely to third party, 38% SMEs had Internal core team supplemented by social media agencies, 12% SMEs marketing and communication department handles social media and only 7% SMEs had internal core team to handle Social media marketing.

Innovative Strategies for SMEs to handle Social Media Marketing (SMM)

In this paper Author used Primary and secondary research to suggest Innovative strategies to SMEs

1. **Increase recognition:** SMEs should have RSS button on their website, Make a schedule to post updates/blogs with good contents regularly.

Key Metrics: Number of posts, Number of social shares, No. of

submissions, followers, Conversation rate, Subscribers, Audience/Visitors growth.

2. **Increase engagement:** Encourage comments, forum pages, etc., Add social share buttons.

Key Metrics: Technorati, Alltop, and other directory listings, SEO Improvements

3. **Face book Fan Page:** Share a mix of relevant links, engaging content, videos, and polls, Make sure you promote upcoming events and create them in the events tab, X posts per day, Engage with influencers.
4. **LinkedIn:** Create a group, Add something about posting content to the LinkedIn company page posting content to the LinkedIn company page, Identify other groups to follow and participate, Encourage employee participation, Monitor and participate in Q&A.
5. **Google+:** Optimize for SEO, Share engaging content, videos, images, and relevant links, Comment on posts, Create and promote upcoming events
6. **Pinterest:** Create boards leveraging both content and company culture, Follow other businesses, thought leaders, customers, and partners social Networks.

Key Metrics: Facebook Likes and posts, LinkedIn Followers, Referring traffic, LinkedIn Group members, LinkedIn Discussions, Google+ Circle adds/followers, Google+ mentions, Pinterest pins and follows

7. **Twitter:** Promote content through Twitter, Utilize promoted Tweets, Listen to relevant conversations, Build reputation, Update bloggers on a regular basis about all new thought leadership and new products, Interact with (plus interview, video, etc) at all

relevant marketing conferences and local events.

Key Metrics: Followers, Mentions, Retweets, Retweet Reach, Replies Reach, Number of lists, Social Capital-influence of Twitter followers, Number of potential prospects sent to sales, Posts

8. **Post key thought leadership to Reddit/ Digg/ Stumbleupon:** Participate in communities, Review blog sources to identify additional bookmarking sites that may drive traffic.

Key Metrics: usage of widgets (by count), Posts/mentions about social widgets offsite, Referrals from offsite widgets (if any).

9. **Add a social element to every campaign to expand reach and increase engagement:** Share videos, reviews, ratings, and polls, Use promotions and contests to spread your message like refer-a-friend and flash deals.

Key Metrics: Referrals from bookmarking/tagging sites, Pages ranking on key terms from bookmarking/tagging sites, Views and submissions.

10. **Participate on relevant message boards, blogs, and Q&A platforms:** Provide insight and thought leadership within your comments, only include a link-back when relevant, Work positive comments into your posts and then follow-up with a more detailed plan, Focus on building relationships.

Key Metrics: Increased brand awareness on influential Blogs, Link-backs and referring traffic, Influencer mentions.

11. **Update videos on social video sites and link to core site:** YouTube, Facebook.

Key Metrics: Referrals from social video sites, Views of videos on social sites, Pages ranking on key terms from YouTube.

12. **Encourage employees to share any interesting and marketing relevant photos from social marketing or sales events:** Flickr, Facebook Photo Gallery, Our Blog, Google Plus Photo Albums.

Key Metrics: Referrals from photo sharing sites, Views of photos on social sites, Pages ranking on key terms from photo sharing sites.

13. **Create list of podcast directories:** Record relevant phone conferences for use as podcasts, promote through podcast directories.

Key Metrics: Referrals from podcast directories, Views of podcasts if hosted on podcast sites.

Suggestions to handle the Risks involved in Social Media Marketing (SMM) for SMEs

There are some basic steps which SMEs may take for increasing consumer's trust on their social media marketing

1. Conduct a broad assessment of its general social media activities, looking for potential risks.
2. Identify the key players who will be responsible for developing, executing, and monitoring its social media strategy.
3. Company should monitor consumer behavior in the social media space, establish appropriate protocols for establishing social media presence.[8]
4. Draft a simple but comprehensive social media policy or set of

guidelines/agreement tuned to the company, its customers, and its industry. This social media policy should be reviewed by the organization's human resources, legal, information technology, and communications departments. Also recommended is a review by an independent law firm.

5. It is essential to provide regular educational training programs to SMEs employees regarding the dangers of damaging the company reputation. Encourage employees to report information that has been incorrectly shared, or any security issues.
6. Company should **protect** our consumers' privacy in compliance with applicable Privacy Policies, IT Security Policies, and laws. SMEs should **respect** copyrights, trademarks, rights of publicity, and other third-party rights.[8]
7. SMEs should be **transparent** in every social media engagement.
8. SMEs should not align with any organizations or Web sites that use excessive tracking software, adware, malware or spyware.
9. SMEs should state policies on visitors' usage and privacy which SMEs expect for their posts and clicks.
10. Include links on SMEs social media pages to report spam, scams, and other inappropriate activity.
11. Assign at least two administrators (admins) for your account. Regularly review the admins' activity, and remove inactive or unnecessary admins
12. Use an Internet firewall with web threat protection[9].

Conclusion

The authors concluded that Social Media is a significant platform if companies want a chance to listen to/influence consumers' opinions. They can replace customer annoyance with engagement having a

collaborative approach. Research findings show that engagement in social media, brand communities leads to a positive increase in purchase expenditures. Author also tried to cover risks and challenges for SMEs to face for social media marketing and suggestions how to handle them in appropriate way to get better trust of the consumers. Social Networks, Blogs and Micro blogs, Social Media Sharing sites, Wikis, Social Bookmarking sites, Forums, and Social Events sites are all considered as cost effective Social Media channels, and can all be significantly beneficial for businesses.

1. Facebook is still the dominant platform, followed by Twitter and YouTube. Image-driven platforms such as Pinterest and video contents on Youtube channel are gaining importance.
2. SMEs should have one post a day on Facebook, one tweet an hour is enough to share knowledge on Twitter. One contest a month is sufficient to engage audiences.
3. SMEs should send personalized messages that would customers learn about product and services.
4. SMEs should solve an issue or query or confusion within 2 to 3 hours of the occurrence.
5. SMES should monitor social media sites relevant to all major aspects of business and risk analysis regarding incidents on social media channels should be in place. SMEs should be focused not only on customer feedback and interaction, but also on IT-related security and privacy-related issues
6. Businesses combine Social Media Marketing, Mobile Marketing, Search Engine optimization and Email Marketing together to achieve business objectives.
7. SMEs should have a social media strategy and ensure social media policies compliant with any industry-specific rules and regulations. SMEs

CUSTOMER SUPPORT	<ol style="list-style-type: none"> 1. Customer interaction > Feedbacks 2. Real-time and personalized support 3. Improved customer experience 4. Increased customer retention and loyalty 5. Reduced support costs
RESEARCH & DEVELOPMENT	<ol style="list-style-type: none"> 1. Market insights on target audience 2. Competitor monitoring 3. New ideas captured from community
FINANCE	<ol style="list-style-type: none"> 1. Cost effective 2. Reduce costs in marketing, customer service and recruitment
PUBLIC RELATIONS	<ol style="list-style-type: none"> 1. Communication in real-time 2. Increased brand exposure
HUMAN RESOURCES	<ol style="list-style-type: none"> 1. Business networking 2. Facilitated recruitment 3. Reduce recruitment costs

should train their employees about the policies and guidelines.

8. The benefits to be present on social media for the SMEs we surveyed were Building Brand Awareness/Highlight Brand News, Building a Community Customer Engagement, Reputation Management and recruitment.
9. Key challenges faced by SMEs are measuring effectiveness, Increase Engagement Rate, Content Creation, Creating Concepts/Campaigns, Uniform communication across all channels, Social Media Policy & Governance. Uniform communication

10. across all channels, Acquire Fans & Followers and Response Management

Summary of the benefits of Social Media marketing for businesses.

Appendix

1. Which are the platforms you used for your social media marketing efforts?
 - a) Facebook
 - b) Twitter
 - c) YouTube
 - d) Blog
 - e) Pinterest
 - f) Foursquare
2. Are you using any of the following emerging platforms?
 - a) Google Plus
 - b) Pininterest
 - c) Foursquare
3. Do you regularly engage with bloggers/influencers?
 - a) Yes
 - b) No
 - c) Sometimes.
4. Do you include information about your social media campaigns in your print/TV advertising campaigns?
 - a) Yes
 - b) No
5. Have you run a campaign using only social media or has social media been the leading component in any campaign?
 - a) Yes
 - b) No
6. Have you organised any exclusive deals/promotions for online fans online?
 - a) Yes
 - b) No
 - c) May be in Future.

7. On your content calendar, what is the percentage of your brand posts vis-à-vis generic updates (topics related to your brand plus unrelated topics)?
 - a) Less than 30%
 - b) Around 50%
 - c) More than 50%
8. What is the frequency of updates you have on your Facebook page?
 - a) 2-3 posts a day
 - b) 1 post a day
 - c) 1 post every 1-2 days
 - d) More than 3 post a day.
9. What is your average response time with which you attempt to reply to a fan query on Facebook?
 - a) 3-5 mins
 - b) 6-10 mins
 - c) 11-20 mins
 - d) 21-30 mins
 - e) 31-60 mins
 - f) 1-2 hours
 - g) 3-5 hours
 - h) 6-12 hours
10. What is the type of contest you have found to be the most successful on your social media platform?
 - a) Picture contest
 - b) Quiz
 - c) Game
 - d) Video contest
11. In addition to your Facebook, Twitter engagements, do you have the following? Please tick all relevant.
 - a) Social media guidelines
 - b) Crisis manual
 - c) Online monitoring programme
12. Have you conducted any social media research for your organisation? Can you share what kind of research have you conducted?
 - a) To understand customer behavior
 - b) Competitive benchmarking
 - c) To get customer feedback
13. Why social media
 - a) Brand exposure and awareness
 - b) Targeted traffic
 - c) Leads generation

- d) Market Insights - Research and competitor monitoring
- e) Customer interaction – Customer service and feedbacks
- f) Cost-effective Marketing Technique
- g) Public Relations and Human Resources

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